



U.S. Department of the Interior
"To-Be" Trust Business Model
Process Template

Title: Administer Land Use Contract

Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)

Process Number
UM.2.7

1. Process Definition *Provide an overview of the process and define its starting and ending points*

1.1 Starts With	Approve a land use contract.
1.2 Process Overview	<p>Administration of an existing land use contract involves periodic review of contract terms, rental adjustments, bonds, and any changes that may be needed to the contract as a result of monitoring to the completion of the terms of the contract to contract closure.</p> <p>During use agreements, the operator/lessee, BIA or the Tribe may discover issues with the land use contract that warrant a modification to the land use contract. The BIA and tribal staff discuss possible use contract modifications to ensure protection of the interests and responsibilities of the Trust. If Trust interests are protected under the potential modification, the cause or reason to modify the contract is negotiated with the lessee/operator. When all parties agree with the contract modification, the modification is considered approved. The modified use contract is then forwarded to the designated DOI Line Official for approval signature.</p> <p>The process to modify a long-term lease begins with a request to change the land use contract or by the terms in the land use contract requiring renegotiation of the said contract in a given period of time. The process requires re-drafting of land use contract terms often in the form of an amendment to the contract. The process may end with a land use contract cancellation in the event that the requested modification for land use is determined to have a detrimental impact to the land or in the event that renegotiation is not successful.</p> <p>For an agricultural lease, the landowner is notified 90 days prior to the lease expiration date advising them of their right to negotiate a new lease with the lessee/operator of their choice.</p>
1.3 Stops With	Closing of a land use contract. Approve and record land use contract modification as required.

2. Trust Business Objectives *Identify the Comprehensive Trust Model strategic goals and business objectives to which this process contributes.*

Goal/Objective
GOAL 4: LAND AND NATURAL RESOURCES MANAGEMENT THAT MAXIMIZES RETURN WHILE MEETING BENEFICIARY DESIRES
OBJECTIVE 4.1: LAND AND NATURAL RESOURCE ASSET PLANS AND STEWARDSHIP STRATEGIES Develop land and natural resource asset plans and stewardship strategies.



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Goal/Objective

OBJECTIVE 4.2: PRESERVATION AND PROTECTION OF LAND AND NATURAL RESOURCE ASSETS

Preserve and protect the long-term viability of land and natural resource assets consistent with fiduciary duties and with the beneficiaries' intended use of the as-sets.

OBJECTIVE 4.3: LAND AND NATURAL RESOURCE ASSET BUSINESS MANAGEMENT

Manage land and natural resource assets effectively and proactively to obtain fair market value for beneficiaries and to incorporate beneficiary requirements.

OBJECTIVE 4.4: APPRAISALS

Obtain appraisal information, as needed, on trust and restricted lands for tribal and individual Indian owners, using methods and techniques that meet professional standards.

3. How should Beneficiaries be involved in this process?

Beneficiary Involvement

A beneficiary may be involved in land use contract negotiations or conduct negotiations on his/her/their own behalf.

4. Organizations, Offices and Roles. Identify the DOI organizations and related roles that should be involved in performing the process.

4.1 DOI Organizations. Identify the DOI organizations, offices and individual roles that contribute to this process.

DOI organizations include the Office of the Secretary, BIA, OST, BLM, MMS, OHA, OSM among others.

Offices include Central Offices, Regional Offices, Agency(Field) Offices, etc.

All individual roles that contribute, in a significant manner, should be identified.

Organization	Office	Role	Contribution
BIA	Agency		Review proposed changes to the land use contract. Determine the status of bonds, rental rates and determine if modifications are needed. Review events that may trigger land use contract modifications and route as appropriate.



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Organization	Office	Role	Contribution
Tribe	Tribal Office		Review events that may trigger land use contract modifications and route as appropriate
Tribe	Program Office		Review proposed changes to the land use contract. Determine the status of bonds, rental rates and determine if modifications are needed.
DOI	Appraisal Office		Review needed valuation adjustments for long term leases if required by the contract.

4.2 External Organizations. Identify the non-DOI organizations that support the execution of or contribute to this process.

External Organization	Contribution
None	

5. Event(s) Identify the events or conditions that start the process. Describe each event and indicate the frequency (daily, monthly, quarterly, etc.) in which each event is expected to occur. An event may be an external interaction (a beneficiary submits an application), the expiration of a period of time (a lease is due to expire in 90 days), or the realization of some pre-defined threshold (an IIM account reaches the automatic disbursement threshold).

Event	Description	Estimated Frequency
Approval of Land Use Contract		
Rental rate review	Contract rental rates may need to be reviewed for long term leases in accordance with the contract terms.	
Receive request to modify use agreement	The lessee or landowner may make a request to perform a modification to the existing land use contract.	
Change to a rental rate	Periodic adjustments may be made to the land use contract as provided for within the terms and conditions of the land use contract	



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Event	Description	Estimated Frequency
Changes in land status	During the tenure of a land use contract, there may be land changes affecting the amount of acres that is part of the contract and would also cause changes to annual rental.	

6. Inputs and Outputs. Identify and describe all inputs and outputs related to this process. Inputs are information or materials used during the execution of the process; outputs are materials or information produced by the process.

6.1 Inputs

Input	Description
Land Use Contract	
Updated Appraisal	
Qualified Application Package	.

6.2 Outputs

Output	Description
None	

7. Fiduciary and Legal Obligations and Controls

7.1 Obligations

Identify and describe the legal and fiduciary obligations that impact this process. For each obligation, indicate the document or commitment that defines the obligation and the citation (paragraph or section) within the document that pertains to this process.

Obligation	Source	Business Impact
See attached Schedule 1		



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7.2 Controls

Identify and describe any controls (enforcement mechanisms) that may be used to ensure that the process adheres to obligations and internal process requirements. Controls may be reviews, audits, segregated duties, etc. Indicate the reason that each control should be introduced (name the obligation that a control is intended to enforce; indicate any controls required to ensure consistency or reliability).

Control	Reason	Description
IAMs	Internal control	
Handbooks and Manuals	Internal control	
Ensure that application/proposal package is complete and inclusive of all necessary requirements site-specific clearances and disclosures are obtained prior to the negotiation period.	Internal control	

8. Mechanisms (Systems of Record) Identify the mechanisms, or systems, that are needed to support the process (ex: Ownership, Leasing, Workflow Management, Office Filing System, etc.). Indicate the information and activities, relevant to this process, that each system supports.

System Name	Support
Realty System	System should allow for comments to be attached to the LNR Use Agreement package. Such as special issues and concerns that may need to be incorporated into the terms and conditions of the final draft use agreement.

9. Inter-Process Relationships Identify other trust processes that are related to this process (either predecessors or successors). If applicable, indicate the condition under which the processes are related.

9.1 Predecessors. Predecessors are processes that either produce information required by this process or that result in the need to execute this process.

Process No.	Name	Condition of Relationship
UM.2.6	Approve Land Use Application	Negotiations may be conducted between the landowner and the prospective lessee/operator upon acceptance and qualification of the selected lessee/operator application.
UM.4.6	Reconcile Production Reporting	Production reports are reviewed and may necessitate modification to a land use contract.



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9.2 Successors. *Successors are processes that either use information produced by this process or that must be executed as a result of performing this process.*

Process No.	Name	Condition of Relationship
UM.2.8	Close Land Use Contract	Once a lessee/operator has been selected and negotiations are successful, the final land use contract package is compiled for review presentment to the tribe or landowner for final award and approval as required. Selectee will be notified upon acceptance.
UM.2.6	Approve Land Use Contract	Modifications to land use contracts may need line official approval.
UM.4.3	Assess MU Use	Assessments may cause actions to modify the land use terms and conditions.
FO.1.1a	Create Trust Funds Receivable	If a land use contract is modified resulting in a revision to the contract terms, the funds receivable account is modified as well.
FO.1.1b	Create Non-Trust Funds Receivable	If a land use contract is modified resulting in a revision to the contract terms affecting non-trust receipts, the funds receivable account is modified as well.
FO.3.1	Create Funds Payable	Monies to be disbursed will be revised in accordance with a contract modification.

10. Comments *Summarize any discussion, problems, issues or recommendations that should be considered when reviewing process performance. Category Values (Note, Best Practice, Decision, Problem, Issue, Recommendation)*

Category	Comment
	None